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Sino Energy International Holdings Group Limited
中能國際控股集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 1096)

**VOLUNTARY ANNOUNCEMENT
IN RESPECT OF THE ENTERING INTO
THE INVESTMENT FRAMEWORK AGREEMENT
AND
CONTINUED SUSPENSION OF TRADING**

This announcement is made by the Group on a voluntary basis.

INVESTMENT FRAMEWORK AGREEMENT

The Board is pleased to announce that, on 3 November 2022, the Company entered into the Investment Framework Agreement with Palace Sea Limited, pursuant to which Palace Sea Limited agreed to make capital contribution to the Company for its debt restructuring and expanding its original business, subject to the terms and conditions of the Investment Framework Agreement as the basis for the capital contribution.

The principal terms of the Investment Framework Agreement are set out below:

Date: 3 November 2022

Parties: (i) the Company

(ii) Palace Sea Limited

Subject matters:

- (1) Palace Sea Limited shall provide not less than HK\$20 million in instalments and assist the Company in financing not less than HK\$80 million for the Company's debt restructuring and application for resumption of listing of the Shares on the Stock Exchange after entering into the Investment Framework Agreement. The allocation of funds will be clarified by the Board and the representatives of Palace Sea Limited when entering into the Investment Framework Agreement.
- (2) The Company agreed that the debt restructuring settlement negotiations with all creditors of the Company shall be arranged by Palace Sea Limited, and the Company agreed to issue new Shares to Palace Sea Limited as consideration. Palace Sea Limited also intends to subscribe for new Shares from the Company. Upon completion of the subscription, Palace Sea Limited along with other investors may become the second largest Shareholder of the Company.

Debt restructuring:

- (1) The Company shall provide all necessary documents and relevant information in relation to the debt restructuring and application for resumption of trading of the Company as soon as possible upon the request of Palace Sea Limited.
- (2) Palace Sea Limited undertakes to the Company to use its best endeavours to properly deal with its debt issues with all existing creditors subject to the waiver of the financial liability of the guarantor of the debts in respect of Hong Kong-related bond debts.
- (3) Palace Sea Limited would, by way of debt-to-equity swap, make various arrangements with other creditors to deal with the settlement of the Company's debts through compliance procedures, including but not limited to the conversion of certain debts into Shares of the Company.

- (4) After entering into the Investment Framework Agreement by the parties, it is expected that all works related to debt restructuring and application for resumption shall be completed within two and a half months, and all agreed work flows shall be commenced immediately.

Termination:

If at any time any one or more of the terms of the Investment Framework Agreement is/are or become(s) invalid, illegal, unenforceable or impossible to enforce in any aspect under the laws of any relevant jurisdiction, the validity, legality, enforceability of the remaining terms of the Investment Framework Agreement shall not be affected or prejudiced in any aspect.

The parties agree to comply with the Takeovers Code, the Listing Rules or other applicable regulations (as the case may be) when implementing the Investment Framework Agreement.

INFORMATION ON THE PARTIES

The principal activity of the Company is investment holding. The Group is principally engaged in the manufacture and sale of casual footwear, apparel and related accessories and the operation of gas stations in the PRC.

Palace Sea Limited is a sophisticated investor with extensive investment experiences in the industry.

REASONS FOR AND BENEFITS OF ENTERING INTO THE INVESTMENT FRAMEWORK AGREEMENT

Trading in the Shares of the Company on the Stock Exchange was suspended from 9:00 a.m. on 1 September 2020. The Group has been actively looking for attractive investment and acquisition opportunities to enhance the Company's profitability and Shareholders' value in the foreseeable future.

The transactions to be contemplated under the Investment Framework Agreement could restructure the debts of the Company and expand the original business of the Group. Accordingly, the Directors (including the independent non-executive Directors) are of the view that the transactions to be contemplated under the Investment Framework Agreement are fair and reasonable and in the interests of the Group and the Shareholders as a whole.

CONTINUED SUSPENSION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange was suspended from 9:00 a.m. on 1 September 2020 and will remain suspended until further notice.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions have the following meanings:

“Board”	the board of Directors
“Company”	Sino Energy International Holdings Group Limited, a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange
“Directors”	the directors of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Investment Framework Agreement”	the investment framework agreement dated 3 November 2022 entered into between the Company and Palace Sea Limited, pursuant to which Palace Sea Limited agreed to make capital contribution to the Company
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

“PRC”	the People’s Republic of China excluding, for the purpose of this announcement, Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
“Share(s)”	ordinary share(s) of HK\$0.1 each in the share capital of the Company
“Shareholder(s)”	holders of Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Code on Takeovers and Mergers
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent

By order of the Board
Sino Energy International Holdings Group Limited
Chen Jianbao
Chairman

Hong Kong, 3 November 2022

As at the date of this announcement, the executive Directors are Mr. Chen Jianbao, Mr. Kwong Yuk Lap and Mr. Tao Yunlong; and the independent non-executive Directors are Mr. Wang Kun and Mr. Zhou Weiyu.